



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
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DEC 3 2002

IN REPLY REFER TO:

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UTU- 0115850

(UT-932)

Certified Mail-- Return Receipt Requested

Mr. Stan Wagner
Ziegler Chemical & Mineral
Star Route
Vernal, Utah 84078

RECEIVED

DEC 04 2002

DIV. OF OIL, GAS & MINING

Re: Reclamation Plan for the Federal Gilsonite Lease U-0115850

BLM has received your letter dated August 20, 2002, and has determined that the reclamation plan for the old sough vein is insufficient. Since the current mine plan approval was approved, BLM has become aware of additional conditions on this property that should be considered. 43 CFR 3592(d) (1) provides:

"Approved exploration and mining plans may be modified at any time to adjust to changed conditions or to correct an oversight ... and (2) The authorized officer may require a modification to the approved exploration or mining plan if conditions warrant."

During an inspection on June 27, 2002, BLM noted subsidence holes that are surfacing in the south vein because there was not sufficient pillar material left between the workings and the surface. Based on inspections of the vein with maps supplied by Ziegler, it appears that the maps are either incorrect or the conditions have changed since the maps were created. At the CV-2 shaft, the map approved by Ziegler shows a gilsonite pillar between the mine workings and the surface that is approximately ten feet thick. Upon inspection, this pillar was not evident. Instead there was a hole at the surface that appeared to extend into the mine workings. It is our experience that these problems only become worse over time.

Your current plan only addresses the approximately 150 feet open slots that may be on the Federal Lease U-0115850 and the shafts and caps that are on the old vein. The plan also addresses contouring the disturbed area on the south vein. There is approximately 1500 feet on the south vein that needs to be addressed for closure purposes. We will accept the present plan as an interim plan for closure but before these workings can be permanently closed the Ziegler Chemical and Mineral Company must submit a revised plan within 90 days of receipt of this letter to address the issues discussed above and close the old workings. The reclamation plan for the mining of the south vein must include the following:

1. The plan must address how the vein will be permanently closed. Based on the inspection of the vein, it appears that the map that has been submitted to the BLM is incorrect because the pillar dimensions shown on the map do not coincide with what we observed on the ground. Your closure plan may or may not need to resolve this discrepancy. For example, if the pillar is to be removed or if the pillar is blasted in as part of a vein closure, surface pillars dimensions are less critical. However, in order to determine the blasting procedure there may be a need for this information in order to correctly design a blasting plan that will achieve the desired results. **BLM will not accept** placing caps on the shafts and filling the holes with concrete as a closure method. It appears that this has been tried before and the results were unsatisfactory. On one of the escape ways between the C-2 and the C-3 shaft the concrete has holes underneath. Based on our experience these holes are a source for erosion and in time the concrete will be undermined and we will be dealing with the same problem all over again. The option that appears to be available, is to blast the vein closed or to backfill the mine.
2. The plan should include a schedule for the reclamation.
3. A cost estimate must accompany the plan. This will be used by BLM to ensure sufficient bonding.
4. The plan should also address final grading and site re-vegetation as part of the plan.

It was brought to our attention that Ziegler Chemical and Mineral Company has slot mined the surface vein on their private property in T9S, R24E, Section 4. As a result of our inspection of your operation, it appears that this mining may have advanced on to the Federal Lease. To resolve this question you need to submit a map within 30 days of receipt of this letter showing the exact status of the slot mining in relation to the Federal Lease. In accordance with 43 CFR 3592.2, this map should be based on an accurate survey of the operation and should be certified.

Consistent with our position that the present closure plan is an interim plan, BLM agrees that the present caps for the C-1, C-2 and C-3 shafts are adequate for temporary closure. Because of the major cracks in the C-3 shaft it may be necessary at a future date to re-pour this cap until permanent closure can be accomplished. The escape way cap between the C-3 shaft is not adequately supported and has major structural cracks. This opening must be secured with wire mesh anchored over the holes and the cap. Shafts with holes in the shaft walls these need to have cement placed into the holes in order to stop any further erosion. The drilling platform is authorized to stay over the C-1 shaft location for the present time in order to keep that shaft closed.

It is our intention to have a plan in place that can be utilized for the closure of the south vein mines. BLM agrees with Ziegler that the closure does not have to take place immediately, but, in lieu of this requirement, BLM will need to review the bond estimate based on the cost estimate provided for closure in order to ensure that the work can and will be accomplished in the future.

Appeal Rights

Following the compliance periods, you then have 30 calendar days to appeal to the Board of Land Appeals, Office of the Secretary, in accordance with the regulation at 43 CFR Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office within 30 calendar days following at the end of the compliance period. The appellant has the burden of

showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) for a stay of the effectiveness of this decision during the time that you appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and the petition for a stay must also be submitted to the Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards;

- (1) The relative harm to the parties if a stay is granted or denied;
- (2) The likelihood of the appellant's success on the merits;
- (3) The likelihood of the immediate and irreparable harm if the stay is not granted, and;
- (4) Whether the public interest favors granting the stay.

Sincerely,



James F. Kohler
Chief, Solid Minerals Branch



Enclosure
Form 1842-1

cc: Doug Jensen, Utah Division of Oil, Gas and Mining, w/o enc.
Gordon Ziegler, President, Ziegler Mineral and Chemical Corporation
VFO